

Message Text

LIMITED OFFICIAL USE

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65

ACTION TRSE-00

INFO OCT-01 EA-07 ISO-00 NEA-10 IO-10 H-02 L-03 PA-01

PRS-01 AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07

NSAE-00 USIA-06 XMB-02 OPIC-03 SP-02 CIEP-01 LAB-04

SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 /102 W

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R 170108Z DEC 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 416

LIMITED OFFICIAL USE MANILA 17600

USADB

FOR NAC AGENCIES

E O 11652: ADS, DECLAS 3-31-76

TAGS: EAID, EFIN, RP

SUBJ: PROPOSED ADB LOAN - PROVINCIAL CITIES WATER SUPPLY PROJECT
(PHILIPPINES)

REFS: A) MANILA 17025; B) MANILA 17277; C) TRSY 75-224

1. IN MEETING DEC. 16, ADB BOARD OF DIRECTORS APPROVED
\$16.8 MILLION EQUIVALENT LOAN FROM ORDINARY CAPITAL
TO THE PHILIPPINES FOR PROVINCIAL CITIES WATER SUPPLY
PROJECT. PRESS RELEASE BEING POUCHED.

2. U.S. DIRECTOR COMMENTED ALONG LINES INDICATED
REFTEL A, PARTICULARLY NECESSITY FOR STRICT ADHERENCE TO
PROJECT'S FINANCIAL COVENANTS, INCLUDING APPROPRIATENESS
OF TARIFF STRUCTURE AND CLOSE MONITORING OF DEBT/EQUITY
RATIOS. OTHER DIRECTORS ALSO EXPRESSED SIMILAR CONCERNS
INCLUDING COLLECTION ENFORCEMENT IN WATER DISTRICTS.
CANADIAN DIRECTOR REQUESTED STRONGER JUSTIFICATION FOR
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LOCAL COST FINANCING SINCE PHILIPPINE FOREX INCREASED

IN FIRST HALF OF 1975 TO \$1.6 MILLION. STAFF RESPONSE
WAS THAT JUSTIFICATION BASED UPON CURRENT ACCOUNT
DEFICIT WHICH IS EXPECTED TO BE \$850 MILLION THIS
YEAR. RESERVE INCREASE DUE TO BORROWING OF \$300
MILLION LONG-TERM AND \$450 MILLION SHORT-TERM FUNDS.
STAFF BELIEVES THAT RESERVES WILL DECREASE BY ABOUT
\$200 MILLION TO \$1.4 MILLION.
SULLIVAN

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANK LOANS, PUBLIC UTILITIES, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 17 DEC 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: RowellE0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MANILA17600
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750437-0933
From: MANILA
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1975/newtext/t19751232/aaaabbxf.tel
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Office: ACTION TRSE
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
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Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MANILA 17025, 75 MANILA 17277
Review Action: RELEASED, APPROVED
Review Authority: RowellE0
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 JUL 2003 by CunninFX>; APPROVED <20 NOV 2003 by RowellE0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
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Review Withdrawn Fields: n/a
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TAGS: EAID, EFIN, RP, ADB
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006